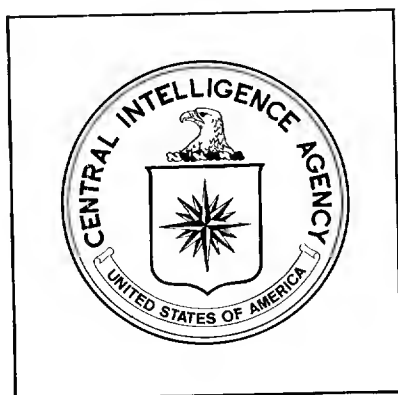


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MIDDLE EAST – AFRICA – SOUTH ASIA

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Angola-China

MPLA Delegation Visiting Peking

1, 2 A delegation from the Soviet-backed Popular Movement for the Liberation of Angola, one of the three liberation groups that share power in Angola's transitional government, is currently visiting Peking. The delegation is led by Lucio Lara, deputy to MPLA President Agostinho Neto. Lara probably will attempt to convince the Chinese to reduce or cease their support to the National Front for the Liberation of Angola, the Popular Movement's major rival, and perhaps will even seek to obtain some Chinese aid for Neto's organization.

Peking has provided the Front with modest amounts of arms and ammunition and has assigned about 100 military advisers to the Front's training camps in the Republic of Zaire. Peking's decision to receive representatives of the Popular Movement, may be in part recognition of that group's growing political strength in recent months.

2 The invitation to the Popular Movement also appears to be part of a larger effort by the Chinese to establish a degree of influence in all three Angolan nationalist groups. About a month ago, a delegation representing the National Union for the Total Independence of Angola, the smallest of the three nationalist organizations, visited China and was promised a small amount of military aid, Peking has provided modest funds to this organization for at least the past year. The Chinese probably will continue to channel the bulk of their military assistance to the National Front. Holden Roberto, head of the Front, reportedly will visit Peking in the near future to request additional material support.

China's move to broaden its influence among the rival Angolan groups may stem from concern about a possible rift between Zairian President Mobutu and the National Front over the future of oil-rich

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Cabinda. While all the Angolans assert that the exclave is part of their country, Mobutu has yet to recognize this claim. Peking may fear the dispute may eventually cause Mobutu to withdraw his support from the National Front, a development that would weaken the Front in its struggle with the Popular Movement and the National Union. In any event, contact with the Popular Movement and National Union at this point can only help ensure that Peking will be well-positioned when Angola gains its independence in November--even if this means irritating Mobutu by dealing with the Popular Movement. Mobutu has long been at odds with the Popular Movement.

In coming months, the Chinese will seek to keep their relations with Mobutu and the Angolans on a generally even keel. This means scrupulously avoiding entanglement in the Cabinda dispute. Late last year when Mobutu visited Peking, he attempted to involve the Chinese by requesting military instructors for Cabindans living in Zaire. Peking not only turned down the request, but refused to send guerrilla warfare instructors for Zaire's regular forces for fear that Mobutu intended to put Cabindans through the course. The Chinese, however, gave Mobutu a substantial quantity of military equipment, including tanks.

At the same time, China will probably want to keep its profile with the Angolan nationalist groups relatively low. Although a handful of Chinese advisers are working with the National Front at one of their new bases in northern Angola, it is unlikely that Peking will allow many Chinese to follow the Front as it moves the rest of its facilities from Zaire. Roberto, for his part, probably does not want to become identified too closely with another foreign power; the Zairian label tagged on him by his opponents has been a considerable political liability. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

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India

Another Successful Offshore Well

1 India has drilled its fifth successful test well in the Bombay High area in the Gulf of Cambay, providing additional confirmation that the field is a substantial one. At the current pace of exploration and development, however, New Delhi's prediction that the field ultimately will produce some 300,000 barrels a day is unlikely to be realized until sometime in the 1980s.

3 India's efforts to expand domestic oil production have been held back by the government's refusal until recently to accept foreign assistance in exploration and its near-total dependence on Soviet equipment in developing onshore and offshore fields. With only one drilling platform available for exploration and other facilities still in the planning stage, production from the Bombay High probably will not exceed 50,000 barrels a day over the next five years. With onshore output estimated at 180,000 barrels a day, India's dependence on oil imports will not be appreciably reduced because oil consumption will rise to at least 700,000 barrels a day by 1980.

2 New Delhi retains complete control over development of the Bombay High area, but has opened nine other offshore areas to foreign exploration. The response has been hesitant, however, because of India's refusal to share whatever oil or gas may be discovered. New Delhi further stipulates that it acquire the entire output at a "fair market price." This discourages investment by major international companies, which prefer assured petroleum supplies to cash payments. To date, only two agreements have been signed, both with independents. (CONFIDENTIAL)

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